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"(e) The Government are examining the recommendations of the Industrial Planning Committee and plans will be drawn up in due course to promote industries in the tracts of this Province, where the possibilities of starting such industries are reported to be great."

DR. V. K. JOHN :—" Have the Government up to this time been able to promote any industry at all in this Province, and if so, what are they? "

THE HON. SRI H. SITARAMA REDDI :—" Several, Sir."

SRI R. SURYANARAYANA RAO :—" Sir, have the Government taken into consideration the Note appended to the Interim and Final Report of the Industrial Planning Committee regarding Industrialization in Rayalaseema? "

THE HON. SRI H. SITARAMA REDDI :—" Government are aware of it, Sir."

Control measures relating to textiles.

* 191 Q.—SRI R. SURYANARAYANA RAO : Will the Hon. the Minister for Industries be pleased to state what arrangements have been made or contemplated in the City and mufassal to enforce control measures relating to textiles, both cloth and yarn, recently reimposed and whether it is proposed to set up Advisory Committees to assist the Textile Commissioner and the Collectors in enforcing the control orders?

THE HON. SRI H. SITARAMA REDDI :—" (1) Under the new scheme of control over textiles the Central Government distribute to Provinces and States mill cloth and yarn according to quotas fixed. They also fix fair prices of cloth and yarn ex-mill and such prices will be stamped on all cloth and yarn. The responsibility of fixing margins of profit to dealers in the Province within the maximum prescribed by the Central Government and of distributing cloth and yarn within the Province has been left to the Provincial Government.

" (2) The major portion of the quota of mill cloth and a small quantity of yarn out of the quota for this Province have to come from Bombay surplus area. The goods will be delivered by the mills at their premises to representative buyers approved by this Province. After taking delivery of cloth and yarn at that end, the representative buyers will book the goods to the wholesale consignees in each district, who will take delivery and arrange to distribute to the wholesalers in the district in this Province. Necessary purchase and transport permits will be issued by the Textile Commissioner, Bombay, to the representative buyers. The local mills will send their production of cloth and yarn allotted to this Province direct to the wholesalers in this Province.

" (3) The districts will receive cloth and yarn according to the quotas fixed for each district by the Provincial Textile Commissioner, Madras. As an interim arrangement the entire quota of cloth for the first month earmarked for distribution

through wholesale co-operative stores and primary stores affiliated to them and the quota of yarn for the first two months for distribution through the Madras Handloom Weavers' Provincial Co-operative Society and selected Primary Weavers' Co-operative Societies. Thereafter as a permanent arrangement about one-third of the quota of mill cloth and one-half of the yarn quota will be distributed through co-operative organizations and the remaining through normal trade channels. About 50 per cent production of the Buckingham and Carnatic Mills and 50 per cent of the production of Mettur Industries have been allowed to be distributed through their own agents. The balance will be distributed through co-operatives.

"(4) There will be only two classes of dealers, wholesale dealers and retail dealers in addition to representative buyers and wholesale consignees in the case of cloth coming from Bombay. The wholesale consignees are required to minimize the time taken for the transport of cloth from Bombay to wholesale dealers in each district. There will be 26 wholesale consignees in all, 2 each for the districts of Malabar and Vizagapatam and 1 in each of the other districts, the Nilgiris district being clubbed with Coimbatore district. The co-operative organizations, private dealers and the agents of the Buckingham and Carnatic Mills and Mettur Industries will fall under the two classes of dealers, viz., wholesalers and retailers, according to the nature of their business. The Government have promulgated the Madras Cloth (Dealers) Control Order, 1948, and the Madras Yarn (Dealers) Control Order, 1948, with the object of enforcing a suitable licensing scheme for the effective control of all these dealers. The important provisions made in the control orders have been explained in a Press Note, dated 17th September 1948, issued by the Government. The number of dealers in cloth will be selected at the rate of one wholesale dealer for about a lakh of population in the district and one retail dealer for every 5,000 of population and the number of dealers in yarn will be selected at the rate of one wholesale dealer for 15 bales of the quota allotted for the district for distribution through trade channels and one retail dealer to serve approximately 150 to 200 looms. These dealers will be selected by the Collectors. The dealers so selected, the co-operative organizations selected by the Registrar of Co-operative Societies and the agents of the Buckingham and Carnatic Mills and Mettur Industries will be licensed by the Collector.

"(5) The dealers including co-operative organizations should pay a licence fee of Rs. 125 per half year to conduct business in wholesale and Rs. 12-8-0 to conduct business in retail. The licence fee is intended to cover the cost of administration of textile control in this Province. The dealers other than co-operative organizations should make a security deposit of Rs. 5,000 in the case of wholesale business in cloth or yarn and Rs. 500 in the case of retail business in yarn and

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Rs. 200 in the case of retail business in cloth. These deposits are forfeitable in part or in whole if the dealers contravene any of the provisions of the Control Orders, and the conditions of the licences. The deposits thus provide for effective check over the malpractices of the dealers. Though foreign cloth and yarn are not subject to control, the dealers in foreign cloth and yarn will be licensed. Licences will be issued freely in their cases on the payment of a uniform fee of Rs. 12-8-0 per half-year and deposits will not be demanded.

"(6) Mill cloth obtained from the Bombay area will be sold to consumers at ex-mill prices plus 20 per cent thereof and the mill cloth produced in the local mills at ex-mill prices plus 16·25 per cent thereof. Sales tax at the retail end will be extra in these cases. The representative buyer will be allowed a margin of 1·75 per cent of the ex-mill price and the wholesale consignee a margin of 0·75 per cent of the ex-mill price. The wholesaler will get a net profit of 3·25 per cent of the ex-mill price and the retailer 6·60 per cent of the ex-mill price. Yarn will be sold to consumers at ex-mill price plus 7-13/16 per cent thereof and in addition all the charges for the transport of yarn from mills onwards, handling charges, and sales tax will be passed on to consumers. The wholesaler will get a net profit of 3-1/8 per cent of the ex-mill price and the retailer 4-11/16 per cent of the ex-mill price.

"(7) The Collectors will be responsible for the administration of Textile Control work in their districts. A skeleton staff of one Textile Control Officer in the Tahsildar's or Deputy Tahsildar's grade, one Inspector for each taluk and necessary ministerial staff have been given to each of the Collectors to assist them. A Provincial Textile Commissioner in the grade of I.C.S. and four Assistant Textile Commissioners and one Personal Assistant to the Provincial Textile Commissioner and necessary ministerial staff have been sanctioned to attend to the procurement of yarn and cloth, to co-ordinate the work of the Collectors and to attend to such other items of work as have to be done on a Provincial basis. The Provincial Textile Commissioner and the Collectors assisted by their subordinate staff will enforce the arrangements for distribution of yarn and cloth through the Co-operative organizations and the trade channels and the sale within the margins of profit allowed to them. For the present there is no proposal under consideration of the Government to set up Advisory Committees to assist the Assistant Textile Commissioner and the Collectors. Collectors have, however, been instructed to consult all local members of the legislature before selecting dealers. The need for setting up such committees will, however, be considered if necessary."

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3-15 p.m. K. T. M. AHMED IBRAHIM SAHIB BAHADUR :—" In view of the fact that the answer is too long, I suggest that we may take this question to-morrow for supplementary questions."

SRI R. SURYANARAYANA RAO :—" I came a little earlier and read the answer. It might not have been possible for all the members to do so, because it might take some time for them to read the answer as it runs to four pages."

MR. PRESIDENT :—" When the hon. Member gave notice of such a question, he should have been prepared for such a long answer."

THE HON. SRI H. SITARAMA REDDI :—" This is a matter about which there has been a discussion in the House and hon. Members have had an opportunity of knowing the views of the Government from the statement I made on the matter."

K. T. M. AHMED IBRAHIM SAHIB BAHADUR :—" Still we have got an another big statement here as answer to this question and we have not yet read it."

MR. PRESIDENT :—" All right. We can take this question to-morrow for supplementaries."

Aid to elementary education.

* 192 *Q.*—SRI R. SURYANARAYANA RAO : Will the Hon. the Minister for Education be pleased to state—

(*a*) whether the Government have refused to pay the Corporation of Madras grant equal to the amount of education cess or tax collected by the Corporation;

(*b*) whether this refusal may result in the closing down of elementary schools; and

(*c*) whether the Government have decided on their policy regarding aid to elementary education in the Province?

THE HON. SRI T. S. AVINASHILINGAM CHETTIYAR :—

" (*a*) The statutory contribution payable to local bodies in respect of education tax is based on the rates of education tax in force prior to 1941. The request of the Corporation for an equivalent contribution based on the entire proceeds of tax collected at present, was therefore refused.

" (*b*) There is no information on this point.

" (*c*) There is no intention to change the present policy."

SRI R. SURYANARAYANA RAO :—" May I know, Sir, whether the Government have considered the desirability of repealing the Act of 1941 which has enabled the Government now to refuse the contribution to the Corporation? "